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Population and Migration How they inform policy

Head of Older People's Care Unit

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High level Policy Context 2011

- A shift in the constitutional relationship with the UK with a referendum on independence in the second half of the Parliament;
- Continued budget restraint as a consequence of the Coalition's fiscal consolidation strategy;
- Major policy reform in police, fire, social care and in the introduction of minimum pricing for alcohol; and
- Continued innovation and development of the 'outcomes' approach.



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Population Context

People in Scotland are living longer

By 2033 the number of people over 60 will increase by 50%

This is a good thing, it reflects:

Higher standards of living

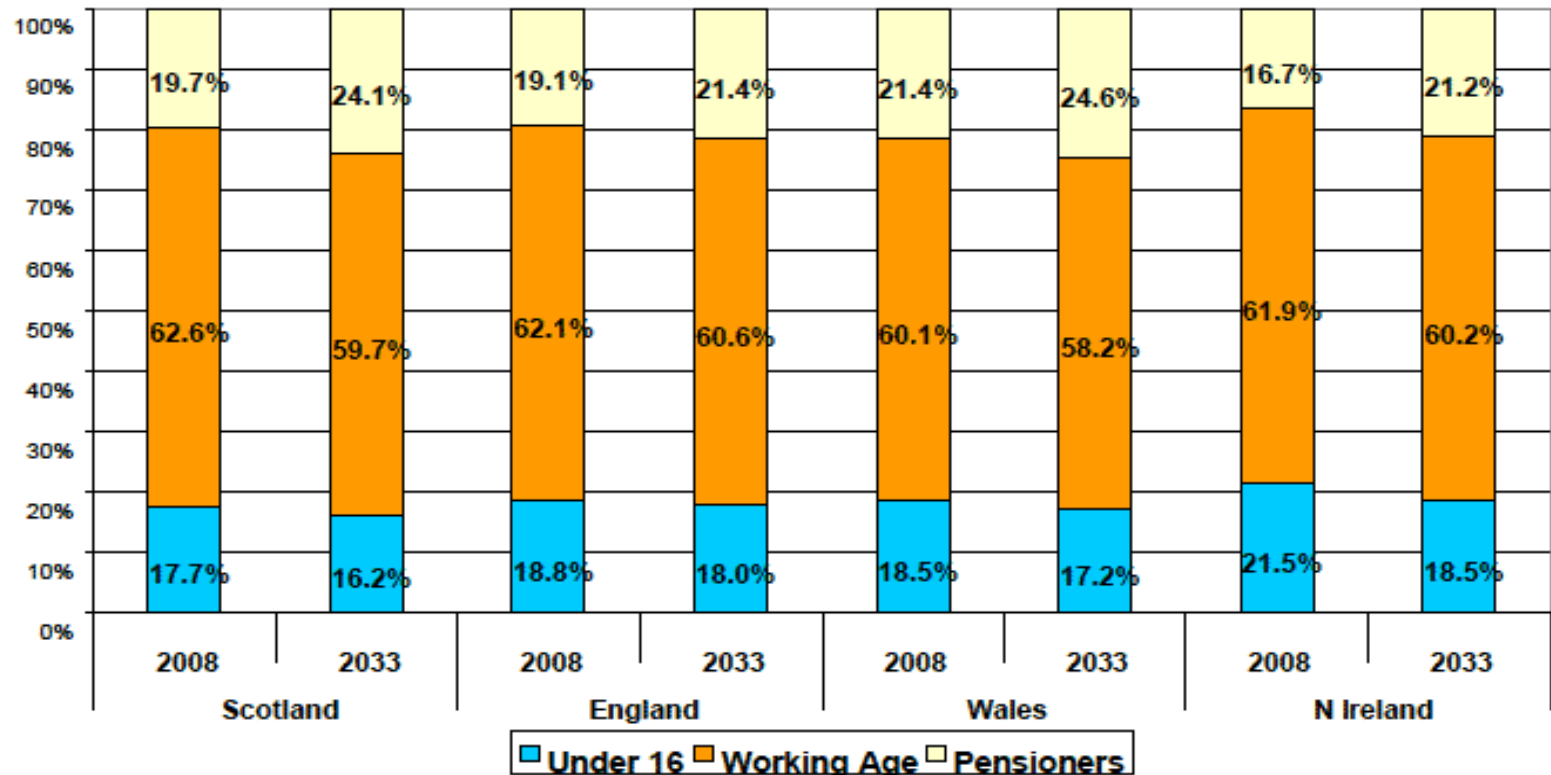
Health improvement



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What Problem?

Age Balance of the is changing across the UK

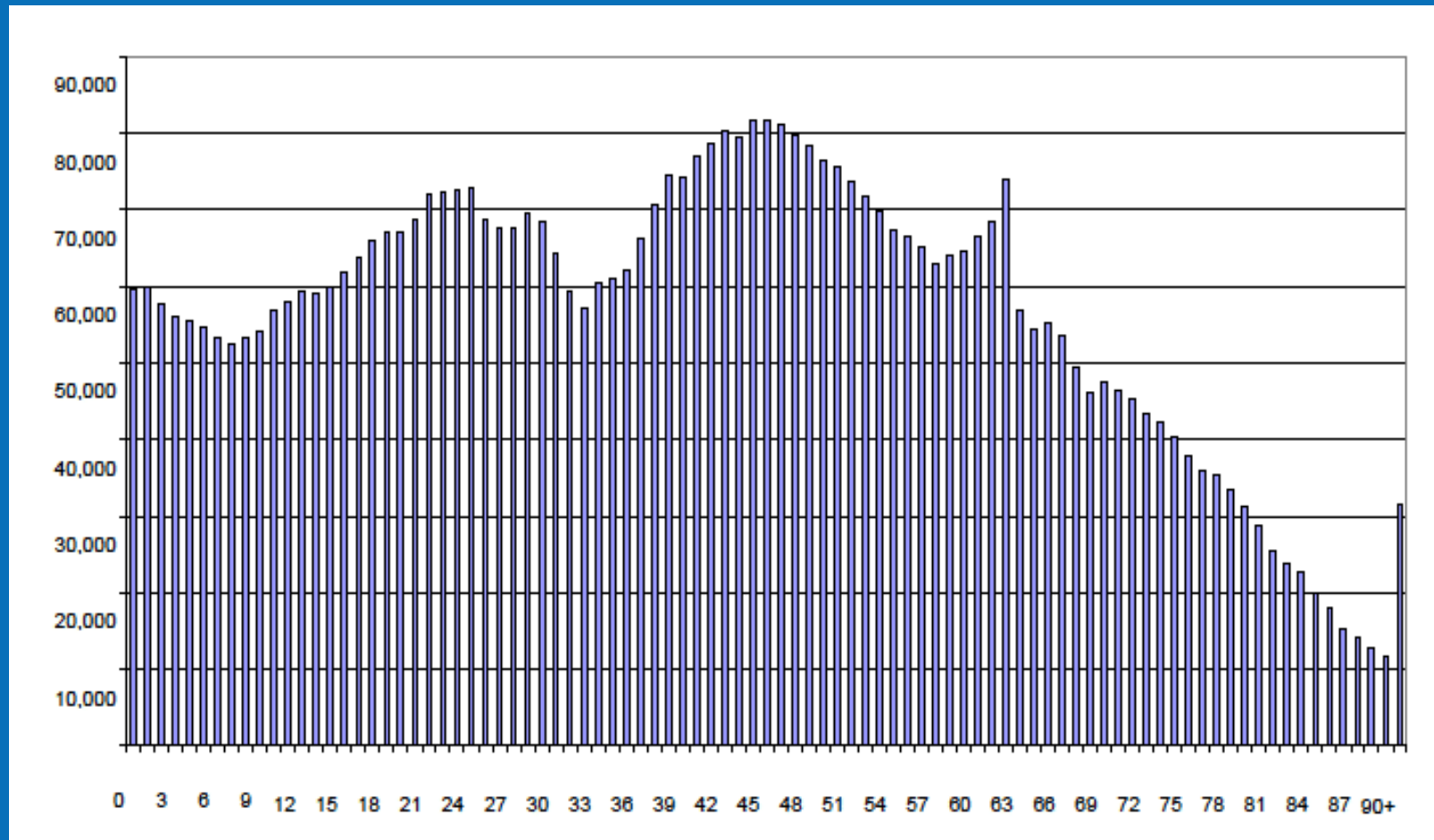


Estimated and projected population structure for countries in the UK (2008/2033) (ONS)



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The age profile of the population is as important as the total population size for policy purposes



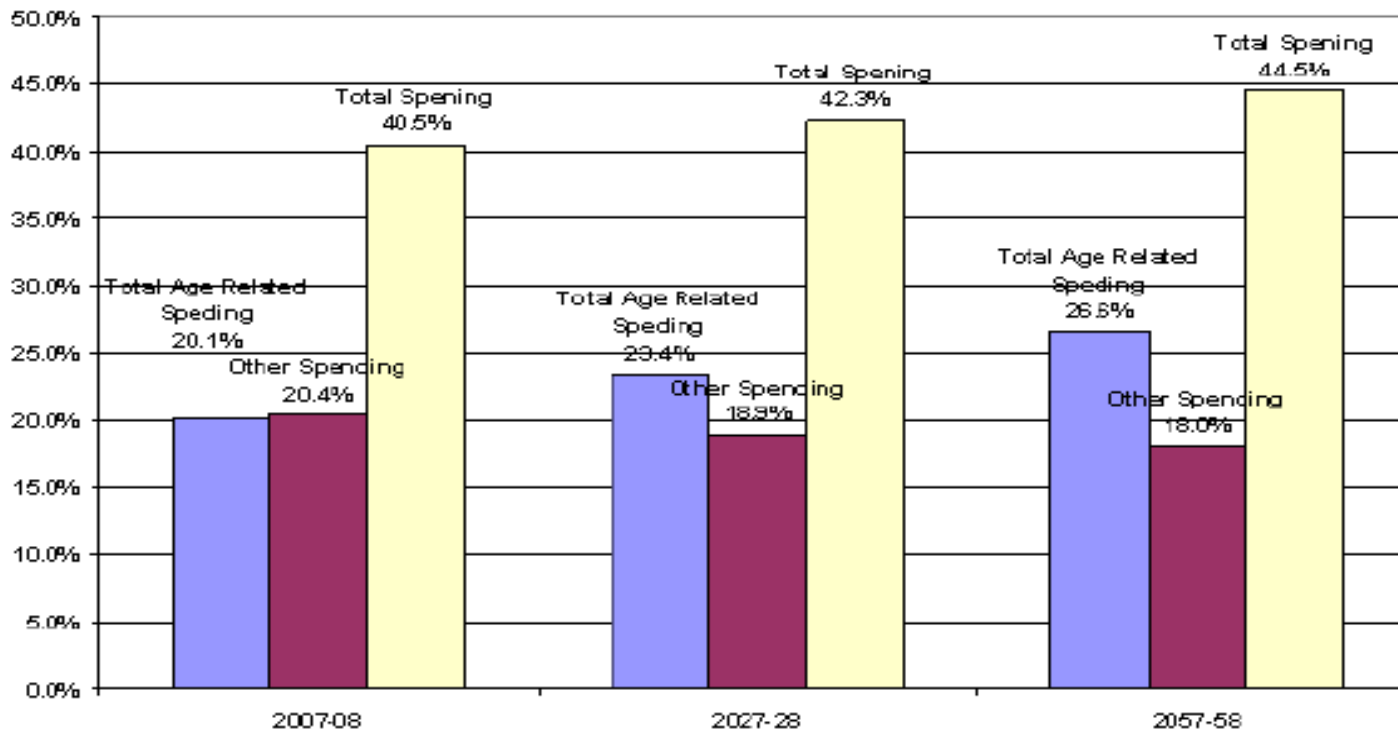
Age distribution of Scottish Population 2009 (NRS)



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Implications for the Economy

UK Age Related, Non Age Related and Total Spending Projections (per cent of GDP) for the period 2007-08 to 2057-58.



Source: HM Treasury



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Reducing ratio of working age to non-working age
(Dependency ratio) 60 per 100 to increase to 68 per 100
by 2033 (assuming current working age)

Age-specific migration leads to concentration of younger
people in urban environments, older people in more rural
settings

Increase in older population will have an impact on the
demand for health and social care

Changing age structure suggests supply of unpaid care will
diminish relative to demand

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Money In vs. Money Out.

- A potentially reducing **tax base** relative to expenditure on **pensions** (UK Gov issue – implications for Scotland)
- Changes to the state pension age are intended in part to address this issue.
- **Expenditure on services and pensions for the elderly are expected to each increase by 2% of GDP over the period to 2057.** (Mix of devolved and reserved expenditure)

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Workforce challenges.

- There is likely to be fewer people of working age relative to those who we would (currently) expect to be retired
- we would also potentially see an increase in the proportion of the workforce engaged in providing publicly funded health and care services
- an economic 'drag' factor that potentially reduces productivity growth over time



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Social change

- Social structural changes related to the family (more people living alone),
- geography (people living far away from relatives)
- solidarity (people not actively engaged in mutual support) reduce the overall capacity for informal care.



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- A simple increase in the number of older people, suggests an increase in need/demand for services.
- Similarly the increase in very old people (who have higher care costs) and in the number of people with dementia (forecast to double by 2031) is a further driver of additional demand
- Against this we can set more years of healthy life for most people (currently only 10% of all over 65s receive formal continuing health and social care services, though about 40% of all over 85s receive such services).
- Also, though more tentatively, the change over time in the death rate, a significantly smaller rise than the overall rise in the number of older people) suggests less of an increase in demand for acute care given that it is most likely to be required in the last.
- We need more evidence on the hypothesis that investment in anticipatory care and prevention will reduce long-term demand for services,



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Evolution of the Policy Approach

- ***All Our Futures: Planning for a Scotland with an Ageing Population*** (March 2007) and more recently in the ***Reshaping Care for Older People*** work as well as in other policy documents and initiatives:
- Continuing to improve our understanding the nature of the challenge through analysis of the demographic change over time, and its likely interaction with service structures and the financial and workforce implications
- Developing a consensus with strategic partners about the need to address the challenge on the basis that the current approach is not sustainable over time –Action to shift the balance of care from residential and institutional settings to home and community settings,
- Financial support to mitigate the cost to those in receipt of care through free personal and nursing care



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- Improvement support work to assist local delivery organisations, primarily local government, through the Joint Improvement Team (JIT);
- Reframing activity to promote the idea that older people are an asset and to be valued and engaged as part of civil society;
- Policy intended to provide better support to those who offer informal care
- Helping Communities make better use of their voluntary sector infrastructure



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The Burning Platform – Why we can't continue as we are:

Health and Social Care - Projecting Costs

- Current pattern of service use per head by age and sex:
- project service demand using NRS population projections
- Assume that the fundamental causal mechanisms driving morbidity/disability do not change

(Noting these are assumption-based projections not predictions)

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- We separate acute health provision into:
 - Age-related
 - Death-related (Proximity to Death)
- Attributing all costs to age *per se* overstates future costs:
 - Project age-related services by population
 - Project death-related services by deaths



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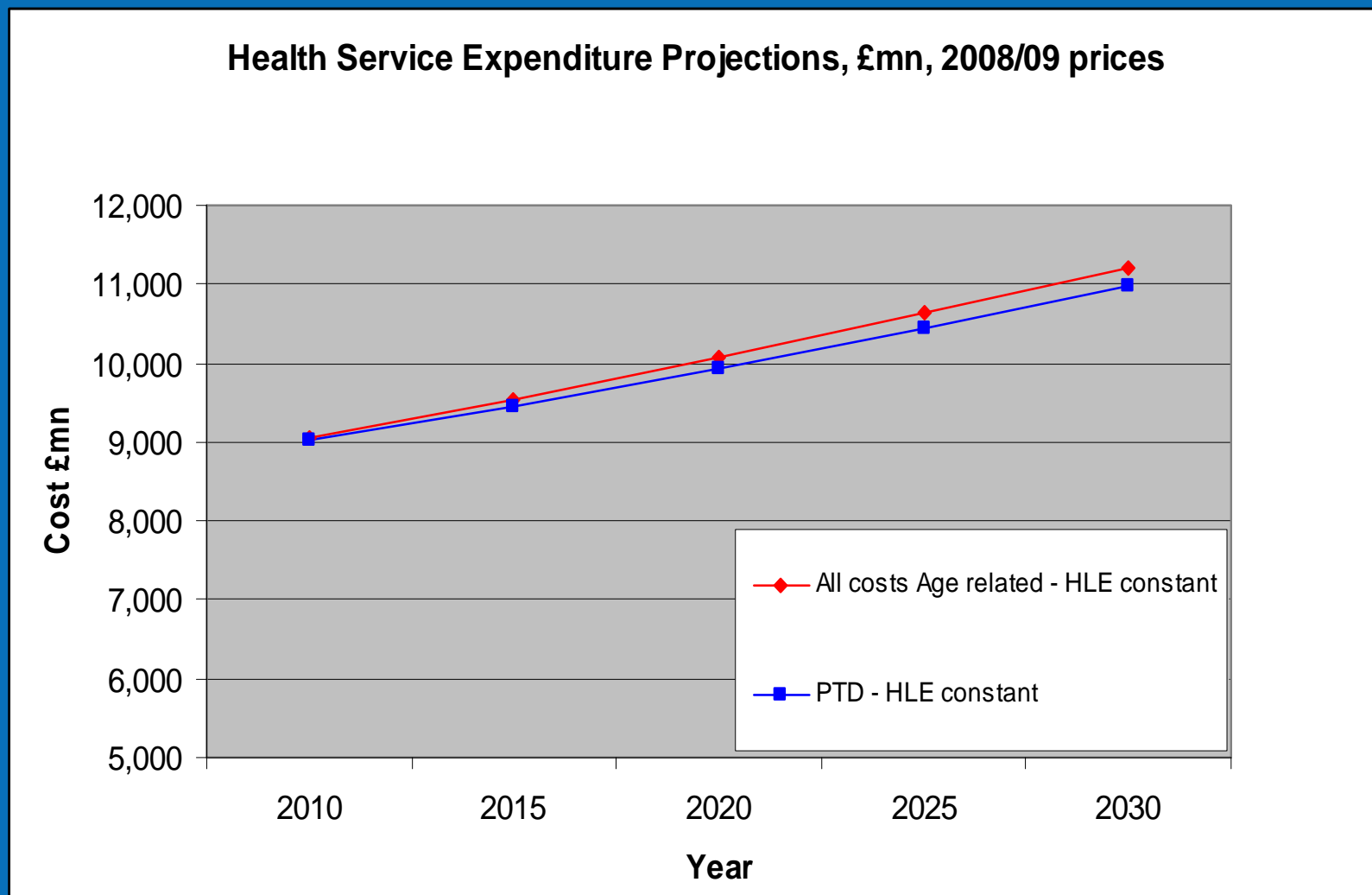


Fig. 2: Projected health care expenditure, all ages, £ mn, 2008/09 prices

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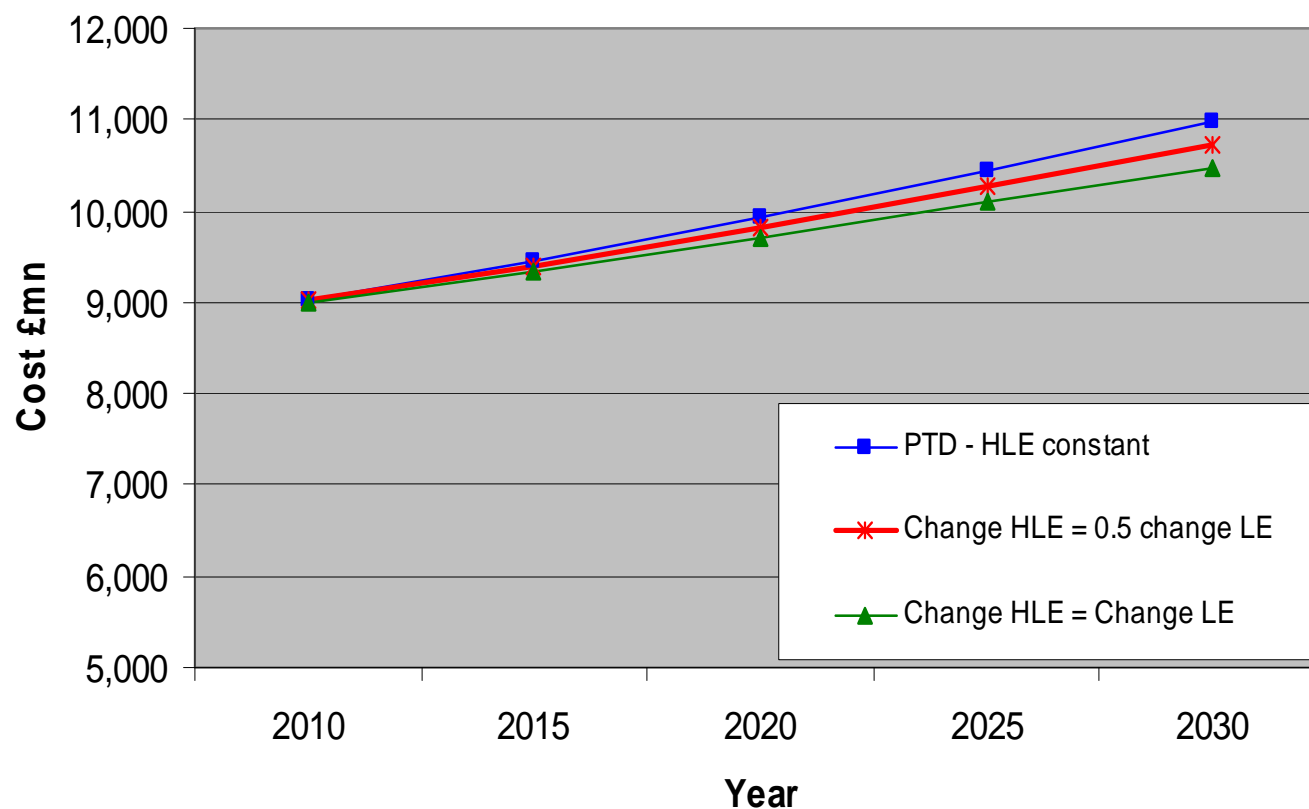
Scenarios – Healthy Life Expectancy

- NRS Principal Population projection based on increased life expectancy (LE):
 - 2.5 years for men at age 65
 - 2.4 years for women at age 65
- Will those (average) additional years of life be healthful or lived with morbidity?
- Assumed range:
 - Change in healthy life expectancy is equal to the change in LE
 - No change in healthy life expectancy



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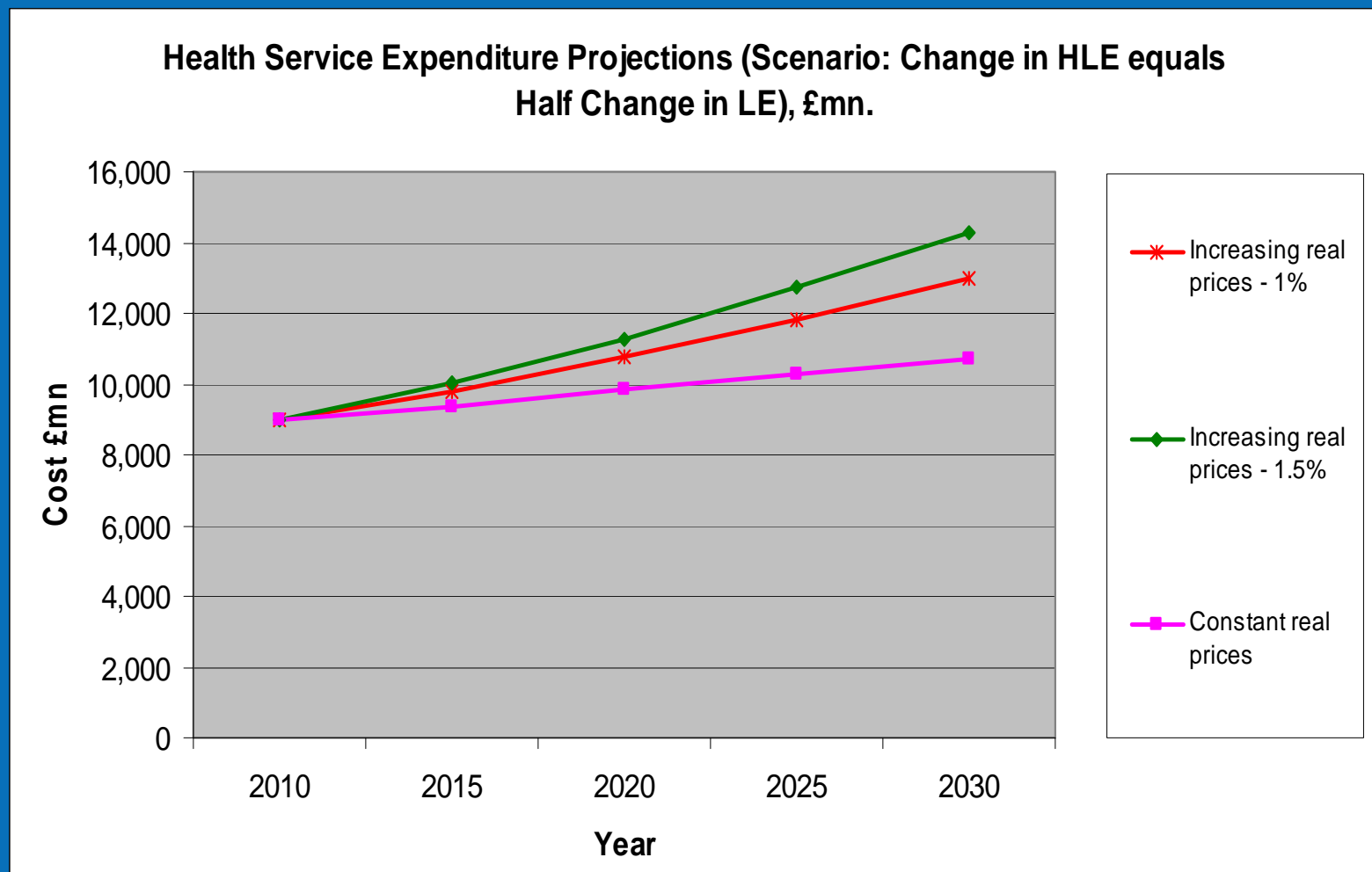
Health Service Expenditure Projections, £mn, 2008/09 prices



Projected health care expenditure, all ages, £ mn, 2008/09 prices



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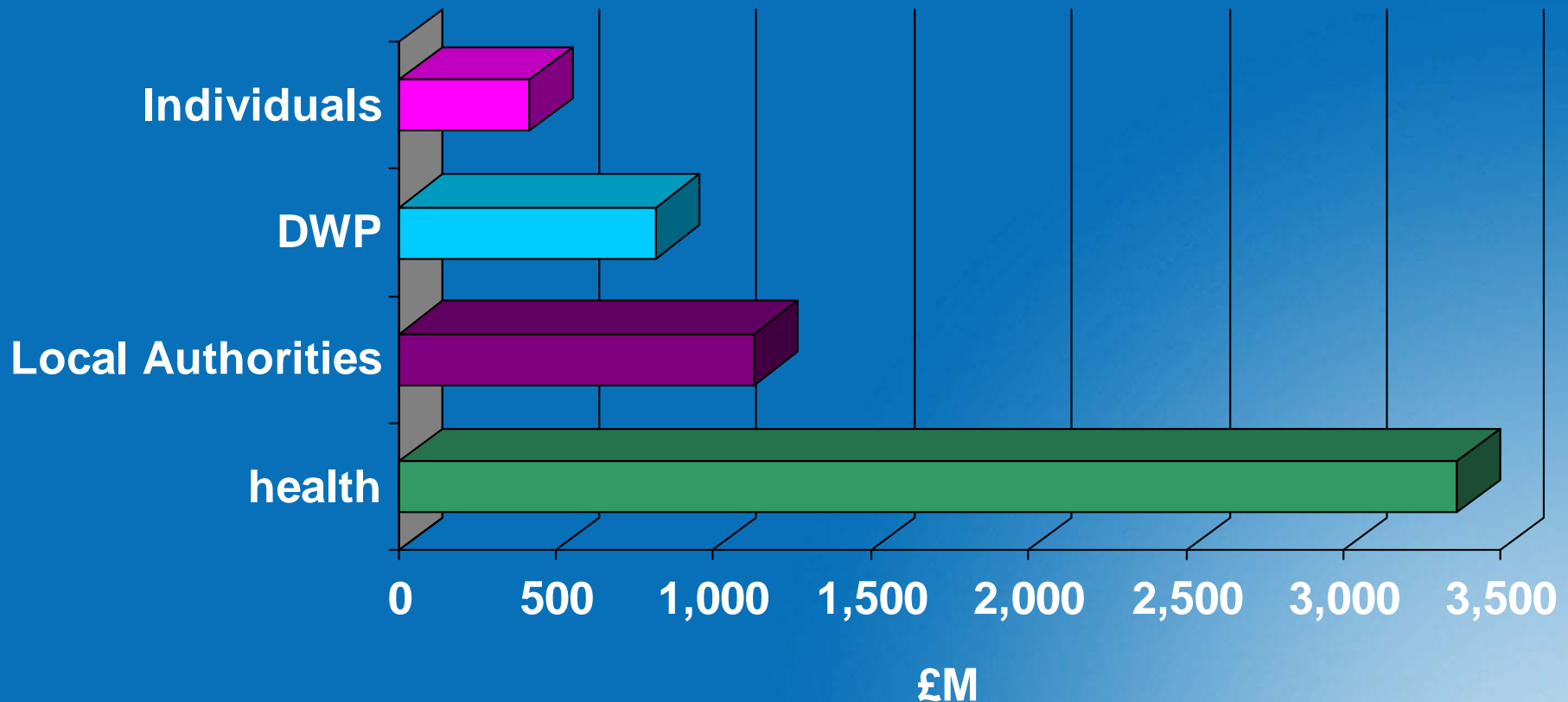


Projected Health Service Expenditure, All Ages, Increasing Real Prices, £mn



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How is the current system of social and healthcare currently funded?





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Dilnot Commission's remit

UK Government asked the Commission to recommend:

- how best to meet the costs of care and support as a partnership between individuals and the state;
- how people could choose to protect their assets, especially their homes, against the cost of care;
- how, both now and in the future, public funding for the care and support system can be best used to meet care and support needs.